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ABSTRACT

An organizational control system approach was used to investigate a university's attempt to influence faculty behavior in the areas of teaching effectiveness; quality of research, scholarship, and creative pursuits; and quality of service. These standards were used to establish desired performance levels and to provide benchmarks for comparison. Performance dimensions were quantified to provide information for evaluation and corrective action. The evaluation component involved assessing measured performance relative to established standards. The nature and amount of rewards granted were the primary reinforcers of desired behavior. The system components were designed to direct attention, motivate, and reinforce or extinguish behavior. Using the example of a particular college department, the study found that the failure to recognize and incorporate previous performance levels resulted in underutilization of resources, which, in turn, decreased the probability of goal achievement. The university's reward system was based primarily on extrinsic rewards, which were unlikely to optimize faculty motivation. It was concluded that the university needed to be more holistic in its approach to organizational control, and more knowledgeable about the faculty and the work situation. A contingency approach to the system was recommended. (SW)

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Assessment of an Organizational Control System

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Running head: ASSESSMENT OF AN ORGANIZATIONAL CONTROL SYSTEM

Abstract

An organizational control system approach was used to investigate a university's attempt to influence faculty behavior. The resultant behavioral outcome proved less than optimal for attainment of organizational goals. As evidenced in this case, misalignment of even one component of the organizational control system posed the opportunity to thwart goal achievement.

Assessment of an Organizational Control System

Recently a large southwestern university received a new mission from its Board of Regents. This change in purpose and direction required a substantive change on the part of its members. Consistent with McKeachie's (1979) predictions, the administration relied heavely on the view that "...one can change behavior by offering more money for those things that one wants done..." (p. 3). The purpose, therefore, of this article is to investigate the University's attempt to influence faculty behavior. To do this a model of the existing influence process will be constructed, followed by data for its evaluation.

Organizational Control System

According to Flamholtz (1979), organizational control is the "...process of influencing the behavior of members of a formal organization" (p. 5). The focus of the organizational control system is on behaviors that are relevant to attainment of organizational objectives. In the instance of universities, these behaviors are typically the "...professional trilogy of teaching, research, and service" (Hoffman, 1984, p. 51). Together, these three key behavior areas from the behavioral system. The purpose, therefore, of the control system is to influence the decisions and actions of the behavioral system and provide feedback on its operations.

Flamholtz (1979) offers the following four basic components of an organizational control system intended to control a given behavioral system:

* goals for the performance of the activity or function;
* standards of performance on each specified goal of the activity or function;
* method of measurement for monitoring the performance of members of the organization; and
* a method of administering rewards to motivate and reinforce performance (the evaluation/reward process) (p. 53).

Working from these four basic components, a model may be constructed to portray the organizational control system. Figure 1 represents this control system at a large southwestern university, and provides the framework for the following description.

Insert Figure 1 about here

Goals

An organizational goal has been defined as "...a desired state of affairs which the organization attempts to realize" (Etizioni, 1964, p. 6). Taking the view that goals of the dominant coalition are the same as the organization's (Thomas, 1967), the University's goals are: "...continue development as a major research university ..." and to "...become competitive with the best public universities

in the nation" (Faculty Handbook, 1983, p. 1). From the viewpoint of control systems, the function of a goal is to direct and channel human effort.

Standards

Following goal determination, standards are developed which represent the required performance to achieve the given goals. In the case of the University, these standards include:

* Teaching effectiveness;
* Quality of research and publication or other creative endeaver;
* Quality of service to the profession and to the university and to the community (local, state, and national or international) (Faculty Handbook, 1983, p. 25).

Further refinement and explication of standards are accomplished at the College and Department level. For example, the Department provides the following evidence of scholarly research:

> Refereed academic journal articles, refereed paper in national proceedings, refereed paper presented to national meetings, refereed paper in regional proceedings, refereed paper presented at regional meetings, refereed symposium participant, seminal text or research monograph, advanced text, survey text, article in practitioner journal, invited papers in academic journals, invited papers at national academic meetings, books of readings/cases, invited chapter in a text, published

original case, published book reviews, publication awards (Management Department, 1983).

These standards are used to establish desired performance levels and provide benchmarks for comparison. From a control systems perspective, the act of establishing standards may in itself influence the performance of individuals.

Measurement

After standards have been developed, quantification of performance dimensions can be accomplished. This allows for comparison between results and established standards. The outcome of this comparison provides corrective feedback to the behavioral system, and evaluative feedback to the evaluation/reward system.

The following example is provided by the Department in reference to the research requirement for promotion to associate professor:

> At an absolute minimum it would require a faculty member to have at least four publications in national, refereed, journals or proceedings during the preceding three academic years. At least two of these publications must be national, refereed, journal articles (Management Department, 1983).

Further quantification is evidenced by the importance attached to the performance dimensions. For example, "...the heaviest weight would be devoted to research and publications (approximately 70 percent) with lesser weights assigned to teaching (20 percent) and service (10 percent)" (Management Department, 1983).

From a control systems perspective, measurement provides information for evaluation and corrective action. It further serves to focus the attention of the behavioral system on dimensions being measured.

Evaluation/Reward System

The evaluation component involves assessing measured performance relative to established standards. This process determines the allocation of rewards to individuals. The nature and amount of rewards granted, in turn, are the primary reinforcers of desired behavior.

Figures 2 and 3 represent the current evaluation and reward scheme for faculty at the University (University Bulletin, 1984; Management Department, 1983). As suggested by March and Simon (1958), rewards from the University can potentially motivate two broad classifications of behavior, participation and performance. The removal of pay inequities by the Equity Adjustment and Market Adjustment would appear to promote continued membership and participation as suggested by Mobley (1977). The close link between behaviors (research, teaching, and service) and rewards (General, Performance, and Promotion Adjustments) would appear to promote increased performance as proposed by Luthans and Kreitner (1975). Finally, Tenure would appear to promote both participation and performance through its ofference of security and as a reward for past performance.

Insert Figures 2 and 3 about here

In sum, the organizational control system is intended to influence the outcome of the behavioral system. The four related components (goals, standards, measurement, and evaluation/reward) serve to direct attention, arouse motivation, and reinforce or extinguish behavior.

Assessing the Organizational Control System

As the organizational control system is intended to influence the behavior of organizational members, its effectiveness may be gauged by assessing the direction of behavioral change. With new goals, new leadership, and new reward configurations, behavioral change should be apparent and robust. Focusing on one department and one behavioral outcome, an assessment of the organizational control system is offered.

In 1980 the University accepted new goals from its Board of Regents emphasizing research (Bergin, 1983). Furthermore, in 1981 the University acquired new leadership with a similar interest in research and publication (Fields, 1983; Nelson, 1983). This chain of events precipitated the reconfiguration of the evaluation and reward system (as described previously). Departmental information on faculty publication and faculty membership indicates the influence of the control system for this time period.

Figure 4 presents the number of publications and number of

faculty for a given academic year (College of Business Administration, 1980, 1981, 1982, 1983, 1984; Arizona State University, 1979, 1980, 1981, 1982, 1983). Contrary to expectations, the number of publications per faculty decreased with the increase attention paid to publication. Using a modification of the sign test (Cox & Stuart, 1955). a test for trend was conducted. The one-tailed test rejected the null hypothesis ($\alpha = .05$) of no decrease in the rate of publication. Acceptance of the alternate hypothesis (rate of publication is decreasing) indicates the organizational control system is influencing behavior, but in the wrong direction. These results indicate the ineffectiveness of the control system to increase the rate of publication.

Insert Figure 4 about here

Discussion

Although several explanations external to the organization could be argued, existing management thought provides at least two useful approaches for diagnosing the current situation internal to the organization. The first approach, Goal-Setting Theory (Locke, 1968), proposes that goals guide and direct an individual's behavior. In his experiments, Locke (1968) found that the higher the intended level of achievement among the subjects, the higher the level of performance. Even individuals who tried for goals so high that the goals were rarely, if ever, reached, performed better than did

individuals who set relatively easy goals. From this approach it would appear that the faculty are adjusting their behavior as predicted. The University's clarification of behavioral requirements (individual goals) at less than proven capacity has led to the coalignment of actual and expected publication. Unfortunatly, the process led to the decrease in the actual rate of publication.

The implications of this approach for the contol system focus primarily on the standards component. That is, will the required performance level achieve the given goal? As it is unlikely that a decreased rate of publication will lead to increased recognition, the answer would be to the contrary. As illustrated in this example, failure to recognize and incorporate previous performance levels leads to the underutilization of resources. This underutilization of resources, in turn, decreases the probability of goal achievement.

Another approach that offers insight into the situation is the relationship between individual characteristics and intrinsic versus extrinsic rewards. Reif's (1975) research indicates that individuals with higher levels of formal education, organizational status, and salary increasingly value intrinsic rewards. However, the University's reward system is based primarily on extrinsic rewards, and thus would seem unlikely to optimize faculty motivation.

This approach provides a variety of implications for the evaluation/reward component of the control system. First, failure to recognize and implement an effective combination of rewards (intrinsic

and extrinsic) suboptimizes faculty motivation. Given the unique characteristics of faculty (higher level of formal education, organizational status, and salary) increased attention should be paid to intrinsic rewards. Furthermore, attention must also be paid to the impact of extrinsic rewards on intrinsic motivation to perform an activity. Deci's (1971) experiments on the subject lead him to conclude "...money may work to 'buy off' one's intrinsic motivation for an activity. And this decreased motivation appears (from the results of the field experiment) to be more than just a temporary phenomenon" (p. 114). Thus, performing an activity in anticipation of payment leads to a decrease in the subsequent inclination to perform that activity. It may well be that extrinsic rewards affect the concept of why the individual is working and the individual's subsequent attitude toward work.

Taken together, the two diagnostic approaches indicate the need to view the organizational control system as an open and dynamic process. The continuous chain of actions, reactions, and interactions must be recognized for their potential to determine the success or failure of the system. As evidenced in this case, misalignment of one component poses the opportunity to adversly impact goal achievement.

Recommendations

For administrators intent on influencing faculty behavior, sole reliance on manipulation of extrinsic rewards would appear

inappropriate. Consistent with Herzberg's (1966, 1968) views on intrinsic motivation, attention should be paid to characteristics of the activity that produce intrinsic satisfactions. For example, if administrators want faculty to be more prolific researchers, they need to examine the rewards that are intrinsic to research activity (ie. challenge, expertness, discovery) and create situations in which these rewards can be obtained.

Administrators must also recognize individual differences in faculty members. Contrary to popular belief, not all faculty are capable, or desirious, of being excellent teacher-researchers. Performance Theory (Blumberg & Pringle, 1982) recognizes these differences, and in combination with Herzberg's views, would hold that performance gains arise by better matches between individuals and tasks. Thus, supporting individuals in tasks they like and find rewarding is one way of maximizing productivity.

To accomodate both individual and organizational needs, differentiation of task activities is required. Differentiation between research and teaching would enable the University to deal more effectively with complex demands. For example, research goals could better be achieved by identifying and supporting capable and willing research faculty. The impact of this differentiation on the control system would be to bifurcate the behavioral system. With this bifurcation, the four components of the organizational control system would be more appropriately reconfigured to influence

each behavioral system's outcome.

Conclusion

If the University is to be effective, administrators must be more holistic in their approach to organizational control. This requires administrators to become more knowledgeable of the faculty and how they identify with their work situation. Furthermore, it requires administrators to recognize the dynamics of the process and adpot a contingency approach to the design and administration of the system. Adherence to a ridged Tayloristic (1916) control paradigm failes to utilize human resources in a manner that satisfies both individual and organizational needs.

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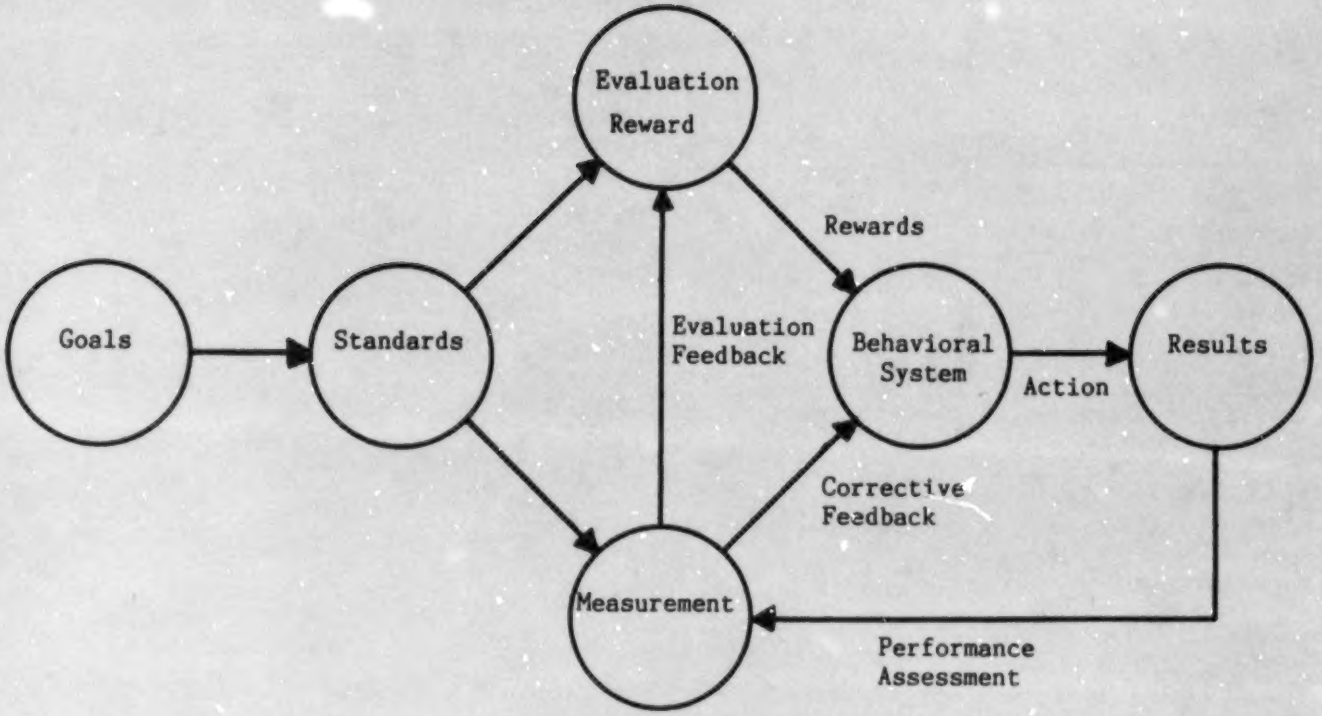
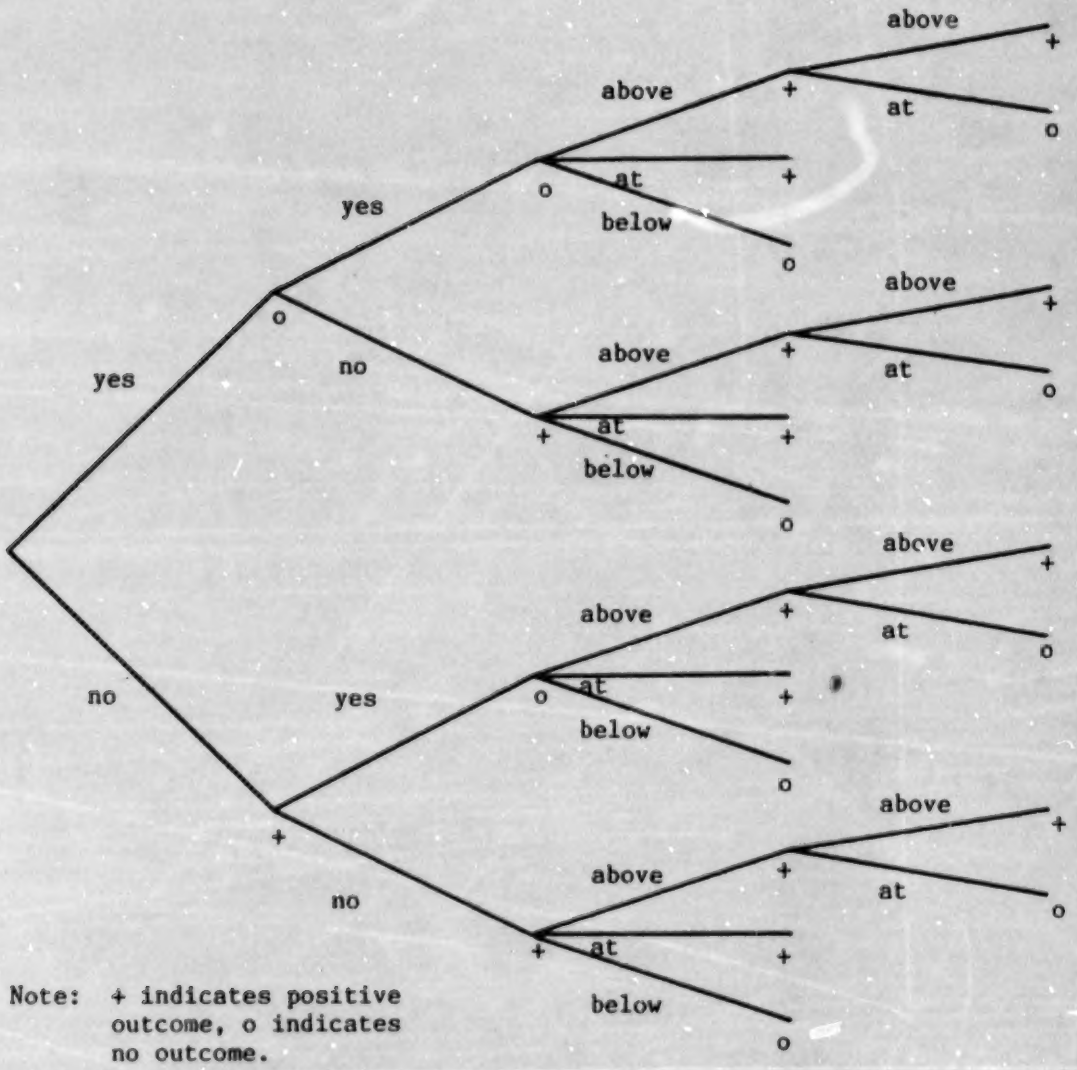


Figure 1: Organizational Control System Model

Equity Adjustment	Market Adjustment	General Adjustment	Performance Adjustment
Is salary in line with similarly situated peers at ASU?	Is salary in line within a discipline at comparable university?	Is performance above, at, or below a satisfactory level?	Is performance above or at a satisfactory level?

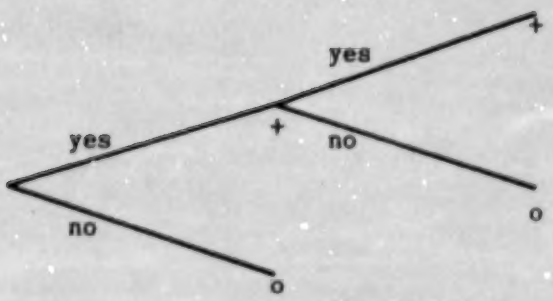


Note: + indicates positive outcome, o indicates no outcome.

Figure 2: Evaluation/Reward Decision Model

PROMOTION

Assistant to Associate Professor	Associate to Full Professor
* 4 publications within the last 3 years * Within the top 2/3 of college for student evaluations * Satisfactory service requirement	* Evidence of regional or national reputation based on scholarship * Evidence of continued professional growth in the area of research and publication superior to the previous promotion level * Evidence of continued growth in teaching effectiveness and service beyond the criteria established for the previous promotion level



Note: + indicates a positive outcome, o indicates no outcome.

TENURE: Faculty members who are currently Assistant Professors or Associate Professors will be evaluated against the criteria for promotion to Associate Professor. Faculty members who hold the rank of Full Professor but do not have tenure will be evaluated against the criteria for promotion to Full Professor.

Figure 3: Promotion/Tenure Decision Model

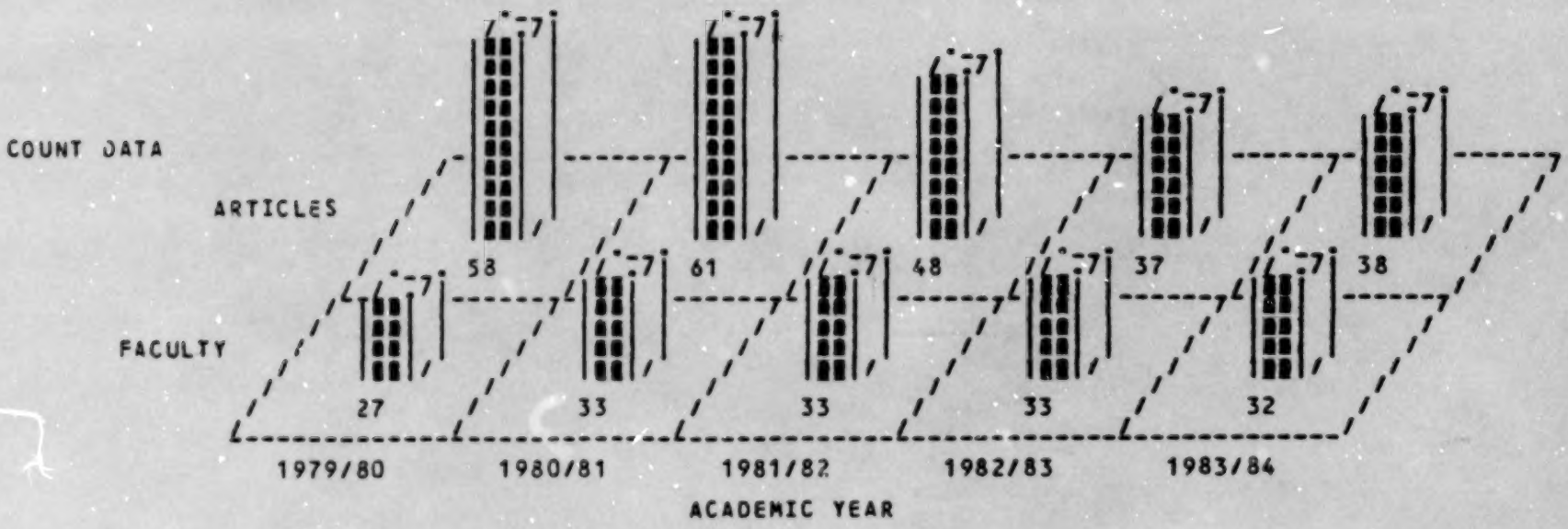


Figure 4: Analysis of Faculty Publications